

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission
On Its Own Motion

01-0662

Investigation concerning
Illinois Bell Telephone Company's
compliance with Section 271 of
the Telecommunications Act of
1996.

OFFICIAL FILE

I.C.C. DOCKET NO. 01-0662

WorldCom Exhibit No. 2.2

Witness Hurter

Date 7/1/02 Reporter KM

PUBLIC VERSION

R-bvffal
~~DIRECT~~ TESTIMONY OF A. EARL HURTER

ON BEHALF OF

WORLD COM, INC.

WORLD COM EX. ~~2.1~~ 2.2

May 20, 2002

I. INTRODUCTION

**Q. PLEASE STATE YOUR NAME, BY WHOM YOU ARE EMPLOYED,
YOUR BUSINESS ADDRESS AND YOUR POSITION.**

A. My name is A. Earl Hurter. I am the Senior Manager for Central Line Cost Management within WorldCom, including the subsidiary companies of MCImetro Access Transmission Services, Inc., and MCI WorldCom Communications, Inc., referred to in my testimony as "MCI" or "WorldCom".

**Q. ARE YOU THE SAME EARL HURTER WHO SUBMITTED PRE-FILED
DIRECT TESTIMONY IN THIS PROCEEDING?**

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

The purpose of my Rebuttal Testimony is to respond to the rebuttal testimony of Ameritech witnesses Denise Kagan and John Muhs concerning Ameritech's inability to accurately bill Competitive Local Exchange Carriers ("CLECs") for local toll, Operator Service and Directory Assistance ("OS/DA"), and its practice of charging CLECs for Unbundled Network Elements ("UNEs") used to provide service to customers that are not customers of the CLEC. As I understand it, these issues relate to checklist item number 2 (nondiscriminatory access to unbundled network elements) on the so-called competitive checklist contained in Section 271 of the federal Telecommunications Act of 1996 ("TA96").

II. DISCUSSION

Q. In her rebuttal testimony at page 4, Ameritech witness Denise Kagan contends that "Ameritech Illinois' switches in some cases did not recognize that a call from point A to point B was an intraLATA toll call, so the call was recorded by Ameritech Illinois and not sent to the LPIC." The point Ms. Kagan appears to be making is that Ameritech has not billed either the Local Primary IntraLATA Carrier ("LPIC") or the end user for of the LPIC for intraLATA toll calls. Do you agree with Ms. Kagan on this point?

A. No. WorldCom has been and continues to be billed by Ameritech for intraLATA toll traffic for which WorldCom is not the LPIC. As I indicated in my direct testimony, and as illustrated in Schedule EH-1 attached to that testimony, WorldCom has been billed for local toll usage in amounts that are in excess of ***** million for the period between January 2001 and February 16, 2002. That amount has increased and is now over ***** for billing through May 16, 2002. While WorldCom has disputed these bills, and the charges will be the subject of a dispute resolution meeting between WorldCom and Ameritech Illinois that is scheduled during the week of May 20, the problem has not been resolved, as Ms. Kagan's testimony seems to suggest. Ameritech has acknowledged that WorldCom was billed for local toll usage. Ms. Kagan's claim also appears to be at odds with Ameritech witness John Muhs' rebuttal testimony, lines 297 through 299, in which Mr. Muhs clearly indicates that the routing translation problem that Ameritech acknowledges exists would have resulted in

47 erroneous billing due to intraLATA toll calls being improperly billed to the LPIC
48 as local calls. Moreover, Ms. Kagan's point is inconsistent with her rebuttal
49 testimony, lines 73 through 75, where she states "Ameritech Illinois experienced
50 some switching translation issues that caused certain incorrect billing when the
51 CLEC or an IXC was chosen as the LPIC." Ms. Kagan's claim that intraLATA
52 toll calls were not recorded by Ameritech or sent to the LPIC is incorrect and
53 clearly contradicted by bills that WorldCom has received from Ameritech, as well
54 as the Ameritech testimony discussed above.

55
56 **Q. In her rebuttal testimony, Ms Kagan addresses the issue intraLATA toll**
57 **charges/usage and, in particular, how Ameritech would generate local toll**
58 **usage. In your opinion, is Ms. Kagan's description accurate?**

59 **A.** It is impossible for me to determine the accuracy of Ms. Kagan's assertions at this
60 time. In her testimony, Ms. Kagan outlines three different LPIC scenarios: (1)
61 where Ameritech Illinois is the LPIC; (2) where the LPIC is the CLEC or an
62 interexchange carrier ("IXC"); and (3) where the customer has not designated a
63 local toll carrier, i.e., where the LPIC is "NONE." Ameritech Ex. 7.1, p. 3. Ms.
64 Kagan goes on to describe how in the second scenario, Ameritech Illinois
65 experienced some routing translations problems and how Ameritech was
66 addressing those problems. In discussions that I have had with Ameritech Illinois
67 account team that is assigned to the WorldCom account, I have been informed
68 that Ameritech has identified and fixed the switch translation and routing

69 problems, but to date I have been unable to verify Ameritech's claims. For
70 instance, I have yet to see bills from Ameritech that show the impact to the
71 amount of money that WorldCom is being billed or the number of "local" minutes
72 that Ameritech is billing WorldCom in Illinois. These topics will be the subject of
73 discussions between WorldCom and Ameritech during the billing dispute meeting
74 being held the week of May 20, and I hope that Ameritech is able to share
75 sufficient data and documentation to verify that issues regarding scenario number
76 two described above -- intraLATA toll billing where the LPIC is the CLEC or an
77 IXC -- are resolved.

78 **Q. Will you have any remaining concerns about Ameritech's intraLATA toll**
79 **billing practices if Ameritech is able to verify that the issues with respect to**
80 **intraLATA toll billing where the LPIC is the CLEC or an IXC are resolved?**

81 **A.** Yes. Ms. Kagan failed to address the other two intraLATA toll scenarios she
82 identified in her testimony. Certainly, the third scenario, that where the customer
83 has not designated a local toll carrier and the LPIC is "NONE," should not
84 generate local toll traffic or any local toll billing. In other words, if an end user
85 customer selected an LPIC of "NONE," that should result in Ameritech blocking
86 local toll calls for that customer.

87 **Q. Does scenario number three impact WorldCom?**

88 **A.** Yes. Ameritech has and continues to bill WorldCom for calls that should have
89 been blocked because the end user customer designed an LPIC of "NONE."
90 There is no basis for Ameritech to be charging WorldCom or any other carrier for

91 local toll usage where an end user customer an LPIC of "NONE." These charges
92 are not invalid. Ms. Kagan did not address issues related to scenario number three,
93 but I believe these issues must be resolved before the Commission can make any
94 recommendation to the Federal Communications Commission ("FCC")
95 concerning Ameritech's 271 application.

96 **Q. Are there other intraLATA toll billing issues that that are barriers to local**
97 **competition that need to be resolved?**

98 **A.** Yes. Ms. Kagan also failed to address the first intraLATA toll scenario she
99 identified in her testimony – where Ameritech is the designated LPIC. In this
100 case, the end user has chosen Ameritech as his or her carrier of choice for local
101 toll traffic and it is Ameritech's responsibility, acting as a local toll provider, to
102 bill the end user for local toll traffic. Ameritech to should not be billing the end
103 users designated local carrier or interexchange carrier for this traffic, but that
104 appears to be what is happening. Ameritech cannot force other carriers provide it
105 with billing and collection services for Ameritech's end user customers. I believe
106 that the Commission should require Ameritech to address this issue and verify
107 that it has been resolved before the Commission recommends that the FCC grant
108 its 271 application for Illinois.

109
110 **Q. Ms. Kagan disagrees with your statement that Ameritech is using the wrong**
111 **billing format for Local Toll Usage and that it has not converted Local Toll**
112 **Usage to it's proper billing format. Why does Ms. Kagan disagree with your**

statement and how do you respond? In addition, how does this relate to the proper jurisdiction of local toll calls in the bills Ameritech issues through its Carrier Access Billing System ("CABS")?

A. Ms. Kagan has misinterpreted my direct testimony. Ms. Kagan states that all direct dialed usage that does not use Ameritech's Operator Services/Directory Assistance ("OS/DA") platform should be billed via Ameritech's Carrier Access Billing System ("CABS"), while all calls using the OS/DA platform should be billed via Ameritech's Reseller Billing System ("RBS"). Ameritech Ex. 7.1, pp. 5-6. I do not disagree with Ms. Kagan on these points -- that was the stated intent during Ameritech's conversion of UNE billing to the CABS format and is what WorldCom expected. It is not, however, what has occurred. WorldCom has discussed this issue with its account and has sent examples of direct dialed calls that were billed in RBS format. It is my understanding that the Ameritech account team assigned to WorldCom is researching the this billing problem, but to date has not provided an answer as to why the problem is occurring, a root cause analysis of the problem or a definitive time line in which it will resolve the problem. Ameritech's call records clearly indicate direct dialed calls are being processed and billed through its RBS. This issue is further complicated by the fact that the jurisdictional indicator in the CABS bills is incorrectly populated with the number "3," which indicates intrastate/intraLATA for all usage. Because the jurisdictional indicator for the CABS bills incorrectly designates all usage as intrastate/intraLATA, WorldCom is unable to determine if there are intrastate/

135 intraLATA toll minutes as well as local minutes in the CABS bill it receives from
136 Ameritech. While I agree with Ms. Kagan's statement that this error has not yet
137 resulted in erroneous or inflated billing, the issue continues to exist and frustrates
138 WorldCom's ability to understand and cogently audit the bills it receives from
139 Ameritech. Given the billing problems that have been identified to date, it is
140 crucial that this problem be resolved so that WorldCom, other CLECs and the
141 Commission can fully understand and verify Ameritech's bills.

142
143 **Q. At pages 9 through 15 of his rebuttal testimony, Ameritech witness John**
144 **Muhs describes the switch translation and routing issues in detail. How do**
145 **you respond to his rebuttal testimony?**

146 **A.** Having read through Mr. Muhs' testimony, it is clear that there were a series of
147 errors, process issues, training, and other circumstances that contributed to and
148 compounded the routing and LPIC problems that WorldCom has experienced.
149 While Mr. Muhs asserts that Ameritech addressed and resolved these issues, I
150 have not been able to verify Mr. Muhs' claims and cannot do so without
151 examining Ameritech's bills over several billing cycles. Examination of several
152 bills will be necessary to analyze whether bills are decreasing, either in dollars
153 billed or minutes billed, and whether the translations problems have been resolved
154 with respect to all of Ameritech's switch translations for all of its switches and in
155 all of its end offices. I expect that this issue will be discussed at the billing
156 dispute meeting between Ameritech and WorldCom during the week of May 20,

157 along with the issues described above. The problem is that I have no direct
158 evidence at this time that would indicate that Ameritech Illinois has fully resolved
159 its avowed translation and routing problems.

160
161 Indeed, WorldCom has evidence that this problem has not resolved. As
162 WorldCom witness Sherry Lichtenberg points out at pages 22-26 of her rebuttal
163 testimony, translation and routing problems continue unabated. For example,
164 while Mr. Muhs claims that the routing translation problem was fixed in March
165 2002, Ms. Lichtenberg observes that in April 2002 WorldCom had over 220,000
166 new errors of this nature in Illinois alone. Ms. Lichtenberg further indicates that
167 WorldCom has sent these records to Ameritech for research, but Ameritech has
168 yet to provide answers as to why this problem persists, a root cause analysis of the
169 problem, or a description of exactly how and when the problem will be fixed.
170 Accordingly, it appears as though the "solution" described in Mr. Muhs'
171 testimony has not addressed the root cause of the problem. Until the Commission
172 can verify that the issue is fully resolved, it should without providing a positive
173 recommendation to the FCC that Ameritech should be granted authority to
174 provide in-region, interLATA services.

175 **Q. Does this conclude your testimony?**

176 **A. Yes.**